

Writer's direct phone

(312) 269-8971

Writer's e-mail

hstotland@seyfarth.com

55 East Monroe Street

Suite 4200

Chicago, IL 60603-5803

312-346-8000

fax 312-269-8849

www.seyfarth.com

June 12, 2003

BY FACSIMILE (49 89 21 94 94 08)
and BY MAIL

Almut Gersting
Wallinger & Partner
Zweibrückenstraße 2 (Isartorplatz)
80331 Munich, GERMANY

Re: Morgan Nicol/John Cobb

Dear Mr. Gersting:

This is in reply to your letter of June 4, 2003.

First, I do not accept your demand that we take action by June 10. Giving us six days to respond is ridiculous in light of the fact that the e-mail explaining our position was sent to Mr. Nicol weeks before.

You ask for a "proper Power of Attorney." Mr. Nicol has already received an e-mail from Mr. Cobb informing him that this firm is authorized to represent him. That is as "proper" as can be expected and is all you will receive.

You state that Mr. Cobb is obligated to sign the documents that you provided, citing the Assignment Agreement. In fact, he is only obligated to sign properly prepared documents. The documents that were provided to Mr. Cobb were not properly prepared and my e-mail of May 13 explained why. When the corrections requested in my e-mail are made, the documents will be signed, assuming that Mr. Cobb agrees that the patent application accompanying your letter describes his invention in accordance with the U.S. patent laws.

We also need clarification of the vagueness in the Assignment Agreement drafted by Mr. Nicol relative to the mechanics for payment, as well as the report for the first quarter of 2003 and the corresponding payment.

It is improper for Mr. Nicol to withhold the report and the payment. Continuing to do so is a breach of the Assignment Agreement.

CH1 10535876.1

ATLANTA BOSTON CHICAGO HOUSTON LOS ANGELES NEW YORK SACRAMENTO SAN FRANCISCO WASHINGTON, D.C. BRUSSELS



SEYFARTH
ATTORNEYS SHAW

3 Almut Gersting

June 12, 2003

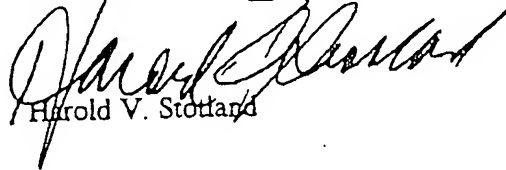
Page 2

It is also improper for you, under U.S. law, to communicate with Mr. Cobb who has informed you that he is represented by this firm. You are asked not to write to him again

Finally, Mr. Nicol has been told before not to falsely represent that he and his company have a continuing relationship with John Cobb. Yet, the attached article continues to suggest such a relationship. For example, your attention is directed to the following "We have a great road story for our aerodynamic parts with John's success with Lance and the forks and bars sell well, Nicol said."

Sincerely yours,

SEYFARTH SHAW



Harold V. Stotland

HVS:pav